



PROPOSED STUDY QUESTIONS

Hiring Unemployed Veterans

State of Washington Joint Legislative Audit and Review Committee

December 2019



JLARC to review B&O and public utility tax credits for businesses that hire unemployed veterans

The 2006 Legislature directed JLARC staff to conduct performance audits of

tax preferences. This preference is included in the 10-year review schedule set by the Citizen Commission for Performance Measurement of Tax Preferences.

The Legislature created these tax credits in 2015. Businesses may take a credit against their B&O or public utility tax for 20% of the wages and benefits earned by the veterans they hire. The credit is capped at \$1,500 per employee per year. The statewide program is capped at \$500,000 per fiscal year. Businesses can earn credits through June 30, 2022, and must use them by June 30, 2023.

Tax credits established to encourage businesses to hire and create jobs for unemployed veterans

The Legislature stated the tax credits are intended to reduce the tax burden on employers when they hire and create full-time, permanent jobs for veterans. Veterans must be unemployed for at least 30 days prior to being hired. To claim the credit, businesses must employ the veteran for at least two consecutive calendar quarters. The Legislature stated that if a review of the program found the number of unemployed veterans decreased by 30% statewide, then the Legislative Auditor should recommend extending the expiration date.

This study will answer the following questions in July 2020:

1. How has the credit been promoted by the state?
2. How many and what types of businesses have used the credit?
3. Have the businesses using the credit hired more veterans since the credit was established?
4. How much has the credit reduced costs for businesses?
5. Is there information to determine if the credit influenced employers to hire veterans?
6. Has the number of unemployed veterans in Washington decreased by 30% since 2015, when the credits were established by the Legislature?

Study Timeframe

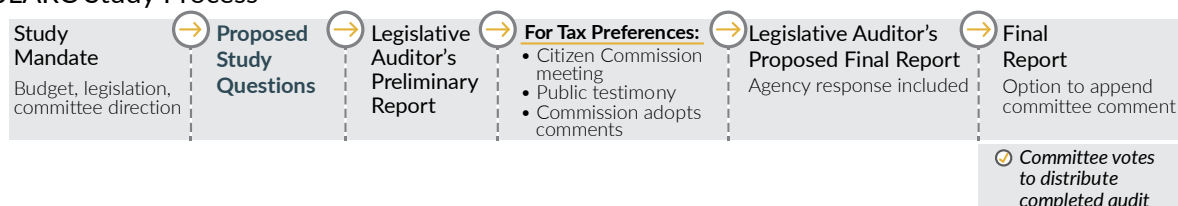
Preliminary Report: July 2020

Proposed Final Report: December 2020

Study Team

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JLARC Study Process



JOINT LEGISLATIVE AUDIT & REVIEW COMMITTEE

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